

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary Public

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Chile

Post: Santiago

Deciduous Fruit Voluntary

Report Categories:

Fresh Deciduous Fruit

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Report Highlights:

Chilean fruit exporters expect a decline of US\$650 million in profits for the coming season.

General Information:

After years of strong export growth, for the 2009/2010 production season, total Chilean fresh fruit exports rose only 2.9 percent as a result of adverse weather conditions, mainly frost in most growing areas that affected table grapes and stone fruit production. Fresh table grapes exports, which represent 33 percent of total fresh fruit exports, suffered a decline of 5.9 percent compared to last year.

Exporters are estimating smaller incomes of about US\$650 million for the 2010/2011 production season if the dollar/peso exchanges rate stays at below the present CH\$490 per dollar rate. A reduction of this magnitude is equivalent to 22 percent of the total returns of last season of US\$3 billion of the fresh fruit sector. The industry has repeatedly requested that the GOC intervene in the currency exchange market with the purpose of stopping the revaluation of the Chilean peso, stressing actions taken by Central Banks of Brazil, Peru, Colombia, Japan and Taiwan when faced with similar situations. When the dollar value reached similar levels back in April 2008, the GOC intervened in the currency market to break the fall.